GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2776
ANSWERED ON:02.12.2016
PDS Network with Banking Facilities
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Will the Minister of FINANCE be pleased to state:

(a) whether the Government has any proposal to use Public Distribution System (PDS) network to extend banking services;

(b) if so, the details thereof;

(c) whether the PDS shops have handheld machines which help establishing the identity of a beneficiary and if so, the details thereof;

(d) whether the said handheld machines can connect with the core banking system of a bank by a simple software and hardware upgrade and if so, the details thereof; and

(e) the time by which this proposal is likely to be rolled out?

Answer

The Minister of State in the Ministry of Finance

(a) Yes, Madam.
(b) Standard Operating Procedure (SoP) for acquiring the Public Distribution System (PDS) shop as Business Correspondents (BCs) of banks has been issued. Banks have been requested to acquire PDS shops as BCs. State Government Secretaries and Commissioners-Civil Supplies have been requested to procure micro ATM 1.5.1 machines and upgrade PoS to micro ATM 1.5.1 wherever procurement has already been made.
(c) Most of the handheld machines with PDS can do biometric authentication.
(d) Micro ATM 1.5.1 compliant machines can do Aadhar Enabled Payment System (AEPS) transactions.
(e) Krishna district in Andhra Pradesh has already made PDS shops as BCs
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